

S/N 10/791,156

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellant:	Katherine Woo	Examiner:	Mark Fadok
Serial No.:	10/791,156	Group Art Unit:	3625
Filed:	March 1, 2004	Docket:	2043.011US1
Title:	INTEGRATING THIRD PARTY SHOPPING CART APPLICATIONS WITH AN ONLINE PAYMENT SERVICE		

APPELLANT'S REPLY BRIEF UNDER 37 C.F.R. § 41.41

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

In response to the Examiner's Answer mailed September 12, 2007, please consider the remarks below.

REMARKS

Discussion of the rejection of claims 1-24 under 35 U.S.C. § 102(b) as anticipated by Sacks (US 2002/0016765A1, hereinafter "Sacks")

Contrary to the Examiner's assertion in the Examiner's Answer, Appellant respectfully maintains that Sacks does not show at least these claim limitations of rejected independent claims:

- 1) **"a virtual shopping cart hosted by a merchant web site"**, (independent claims 1, 10, 18, and 22) and
- 2) **"the shopping cart application being external to an online payment service"** (independent claims 1, 10, and 18).

Appellant respectfully submits that the claimed method and product are different from the payment handling method and service of Sacks. Referring to paragraph [0020] of the Appellant's Application, it can be seen that the "shopping cart application" in Appellant's Application is external to the online payment service:

The merchant server 108 supports a merchant web site that can be a retailer or wholesaler web site visited by various buyers including the users of the clients 102. The merchant web site uses a third party shopping cart application 112 that places items, selected by a buyer via the merchant web site, in a virtual shopping cart. **A third shopping cart application 112 is an application external to the online payment service 110** that is developed by an external developer/company to allow a merchant or another third party to host a shopping cart on its web site. (Emphasis added)

Since the third party shopping cart application 112 used by the merchant web site is specifically stated in Appellants Application to be "external to the online payment service 110" and it is also stated that the shopping cart is hosted by the merchant "on its web site," the claimed method and product enable complete integration of the third party shopping cart applications 112 with the online payment service 110. As a result, merchants can provide **on their web sites** customized shopping cart applications which cooperate with an independent online payment service that is widely used and trusted by many users. See paragraph [0025] of the Appellant's

Application.

Sacks relates to a technique for handling a payment transaction between a buyer to a seller at a third-party payment processor, in which the buyer is redirected from the seller to the third-party payment processor to process payment for an electronic transaction, and details of the transaction may be received with the buyer's connection¹. Contrary to what is described in the Appellant's Application, in paragraph [0028], for example, Sacks discloses that payment processor 106 provides a third-party shopping cart to track the buyer's purchases, and the third party shopping cart is managed and maintained by the payment processor 106. Because the buyer's shopping cart of Sacks is maintained by the third party payment processor 106, which may be used for taking care of the buyer's purchases or transactions involving multiple sellers. **Thus, buyer's shopping cart of Sacks is hosted by the payment processor, rather than is "hosted by a merchant web site" as claimed.**

Referring to paragraph [0028] of Sacks, with emphasis added:

In another embodiment, payment processor 106 may provide a third-party shopping cart to track the buyer's purchases. Thus, in this embodiment, when a buyer's connection is redirected, the buyer may be presented with a shopping cart managed by the payment processor. At this third-party shopping cart, the buyer may change the quantity of an item, remove an item from the cart, initiate payment for the items, return to the seller's site, etc. **Because the buyer's shopping cart is maintained by the third party, it may be used for purchases or transactions involving multiple sellers.**

In addition, Figure 2 of Sacks shows that a payment processor 200 includes a database 210, and paragraph [0034] of Sacks discloses that database 210 stores a shopping cart. Thus, in contrast to the claimed Application, the shopping cart stored in the database 210 of Sacks is actually hosted by the payment processor 200, rather than by the merchant's or seller's web site as the claims require.

Furthermore, it is noted that rather than calling for the shopping cart to be hosted by the merchant web site, claim 16 of Sacks recites "*maintaining a shopping cart at the third party for*

¹ Sacks [0017]

the payor", and claim 31 of Sacks recites *"The payment processor of claim 29, further comprising a database configured to store a shopping cart for the payor"*.

All these parts of Sacks show that the shopping cart of Sacks is hosted by the payment processor rather than hosted by the seller's web site. The Examiner fails to point out, and Appellant cannot find any parts of Sacks that disclose the feature **"a virtual shopping cart hosted by a merchant web site"** as claimed in the Application.

For at least the same reason stated above, Sacks also fails to disclose the feature **"the shopping cart application being external to an online payment service"** as claimed in the Application.

Response to the Examiner's statement in the part of "Response to Arguments" on page 4:

Appellant disagrees with the reasoning and conclusion made by the Examiner in Response to Arguments on page 4. The Examiner misunderstands the third party payment processor, and thus states *"it is clear the third party payment processor is external to the payment processor"* in the reasoning, on page 4 lines 19-20. Accordingly, the Examiner's conclusion that Sacks discloses *"the shopping cart is external from the processor"* lead from the reasoning is not correct. From the context of Sacks, it can be seen clearly that **"the third party payment processor"** is referred to **"the payment processor"**, and **"the third party"** means a party other than the **"buyer"** and the **"seller"**. Thus, **"the third party payment processor"** and **"the payment processor"** are referred to the same thing (not two separate payment processors), thus the third party payment processor cannot be external to the payment processor. Referring to context shown in paragraph [0016] of Sacks, with emphasis added:

*"In one embodiment of the invention, a system and method are provided for processing payment for an online or electronic transaction between a **buyer** (e.g., a payor or debtor) and a **seller** (e.g., a payee or creditor) through a **third party**. Illustratively, a buyer making a purchase at a seller site or system is redirected or transferred to the third party when a transaction is to be consummated or payment information is to be provided by the buyer. **The third-party payment processor ("payment processor")** receives a connection from the buyer and processes the buyer's payment using information provided by the user and/or details of the present transaction received with the buyer's connection.."*

(Emphasis added)

Appellant also disagrees with the reasoning and conclusion made by the Examiner in a part of (10) Response to Argument. On page 5, the Examiner introduces a definition of “shopping cart” from Microsoft Computer Dictionary, and states, *“para 0017 and 0020 clearly teach stored purchase information that is later transferred/redirected to a third party payment processor”*. Then, the Examiner jumps to a conclusion, *“the virtual shopping cart is clearly hosted by the merchant in that the purchase information is collected/stored at the merchant and then later transferred to the payment processor.”*

The Examiner appears mistakenly equate **the purchase information** stored in a shopping cart to **the shopping cart** per se. Referring to the definition cited by the Examiner from the Microsoft Computer Dictionary,

“shopping cart n. In e-commerce programs, a file in which an online customer stores information on potential purchases until ready to order. Usually represented on screen with a drawing of a shopping cart, the virtual shopping cart provides a recognizable point of reference to users new to the e-commerce experience.”

From the cited definition, it can be seen that a **“shopping cart”** is a file that stores purchase information, but the “shopping cart” does not equal to the purchase information stored in it. As previously shown, **Sacks discloses the shopping cart is hosted by the payment processor**. Even though the purchase information stored in the shopping cart of Sacks can be transferred, the buyer shopping cart of Sacks per se is still hosted by the payment processor. Accordingly, Appellant traverses the Examiner’s conclusion that Sacks discloses **“a virtual shopping cart hosted by a merchant web site”** as claimed in the Application.

Therefore, Sacks does not disclose each and every claimed limitations of the Application, thus does not anticipate the claimed Application. Appellant respectfully requests that the Board withdraw the rejection of claims 1-24 under 35 U.S.C. § 102(b) and allow claims 1-24.

CONCLUSION

Appellant respectfully submits that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Appellant's attorney at 612-373-6900 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

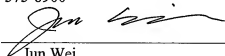
Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS Appeal Brief - Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 13 day of November 2007.

Name

Dawn R. Shaw

Signature

